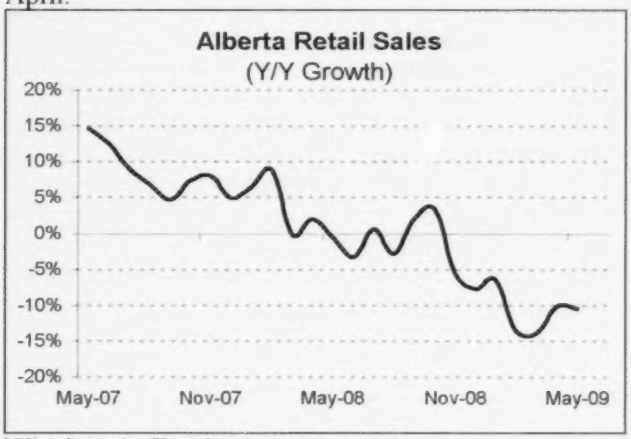
Retail Sales

Albertans are starting to open their wallets…

Retail sales in Alberta were up for the second consecutive month in May, as sales rose by 0.5% from April. However, spending in the province remains depressed compared to May 2008; on a year-over-year basis, retail sales were down 10.5%, the largest drop among provinces. Nonetheless, Alberta continued to have the highest per-capita retail spending in Canada, at $1,270.

Canadian retail sales fared better in May, growing by 1.2% from April. The main contributor to the national gain was a 3.4% rise in sales at new car dealers. Sales increased in 7 out of 8 sectors reported by Statistics Canada, the exception being clothing and accessories stores, which was unchanged from April.



Wholesale Trade

Wholesalers still shipping fewer goods…

Despite signs of a nascent global recovery, Alberta's wholesale activity remains weak. Wholesale trade in current dollars fell by 2.5% from April, the seventh monthly decline in a row. Compared to May 2008, wholesale trade was down by 22.0%.

Canadian wholesale trade decreased by 0.3%, due to drops in the machinery and electronic equipment (-0.2%), food, beverages and tobacco products (-1.2%), and metal products (-7.7%) trade groups.

Canadian Dollar (US¢/CS)	
July 24, 2009	92.23
July 17, 2009	89.54
2009-10 YTD	86.53
WTI Oil US$/bbl	
July 23, 2009	$ 67.16
July 16, 2009	$ 62.02
2009-10 YTD	$ 60.48
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
July 24, 2009	$ 3.98
July 17, 2009	$4.12

* Estimate based on Nymex Futures Market Price

Farm Product Price Index

Crop and livestock prices fall…

Following three months of increases, the price of farm products in Alberta fell 4.7% in May from April, due to lower prices of both of crops (-2.3%), and livestock (-9.2%).

BoC Monetary Policy Report

Growth expected to resume in this quarter…

In its latest Monetary Policy Report, the Bank of Canada stated that it expects the Canadian economy to resume growth in this quarter, but that the recovery will be more tepid than normal. The BoC cited a higher Canadian dollar and the restructuring of important industries (such as the automotive sector) as key risks to the growth outlook.

U.S. Economy

Home sales rise , but job market remains weak …

The U.S. housing market saw more good news this week, as existing home sales rose by 3.6% in June to an annual rate of 4.9 million. The number of distressed sales, while still high, was down from roughly half of all sales earlier in the spring to about one third in June.

The U.S. labour market still refuses to show signs of improvement, as initial jobless claims rose by 30,000 to 554,000 in the July 18 week. Despite the mixed economic news, a rally on Wall Street helped lift oil prices to US$67.16 on Thursday.

Alberta

CURRENT ECONOMIC INDICATORS

July 24, 2009

Overall Economy	2007	2008	2009YTD*	Jan	Feb	Mar	Apr	May	Jun
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,654	3,632	--	--	3,654	--	--
% change	2.6	2.1	2.6	2.6	--	--	2.7	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	18,269	6,198	--	--	7,144	--	--
Net International Migration[1] (level)	16,136	19,283	13,179	4,097	--	--	4,175	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	17,557	4,870	--	--	4,626	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,989	2,026	2,002	1,987	1,993	1,994	1,990
% change	4.7	2.8	-0.5	1.2	0.2	-1.0	-0.9	-1.1	-1.6
Unemployment Rate (%)	3.5	3.6	5.8	4.4	5.4	5.8	6.0	6.6	6.8
Average Hourly Wage Rate	6.0	5.7	5.0	6.2	4.5	3.6	4.3	5.0	6.1
Average Weekly Earnings[2]	5.8	6.0	5.3	7.0	5.4	5.6	3.2	--	--
Labour Income[3]	11.3	8.4	4.0	5.0	3.9	3.0	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	0.2	1.2	2.1	0.9	-0.7	-0.7	-1.6
Excluding food and energy	4.9	1.9	1.6	1.5	2.0	1.4	1.1	1.7	1.6
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-1.0	--	--	-1.0(Q1)	--	--	--
Farm Product Price Index	14.3	11.1	-6.6	-3.9	-5.9	-4.7	-6.1	-12.0	--
NEW! Crops	41.4	26.3	-23.8	-18.8	-22.0	-23.0	-25.4	-29.3	--
Livestock	0.7	2.1	10.4	13.8	12.4	17.5	12.3	-2.5	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	14.4	15.7	12.6	11.9	13.5	13.5	19.3
% change	-2.1	-39.7	-58.0	-55.8	-62.4	-77.0	-55.6	-57.8	-15.7
New Housing Price Index	22.5	0.7	-9.8	-8.4	-9.6	-10.5	-10.7	-9.8	--
Edmonton	32.1	1.0	-11.8	-10.4	-12.2	-12.3	-12.5	-11.7	--
Calgary	16.2	0.6	-7.8	-6.5	-7.1	-8.7	-8.8	-7.9	--
MLS Average Resale Prices	24.3	-1.4	-7.8	-10.0	-9.2	-10.4	-6.8	-5.8	-4.6
Edmonton	34.3	-2.0	-6.5	-4.5	-8.7	-10.1	-7.4	-4.2	-3.8
Calgary	18.7	-2.9	-9.7	-11.4	-10.8	-11.3	-10.1	-8.7	-6.3
NEW! Retail Sales	9.3	-0.1	-10.9	-6.4	-13.5	-13.8	-10.1	-10.5	--
New Motor Vehicle Sales	3.3	-7.3	-28.3	-22.5	-35.4	-31.9	-24.4	-27.5	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-44.9	-24.4	-43.9	-60.8	-42.0	-39.2	-56.3
Goods Exports (customs based)	5.3	33.2	-28.7	-27.3	-30.2	--	--	--	--
Energy	4.4	40.9	-33.2	-31.5	-35.1	--	--	--	--
Agriculture	9.8	28.6	0.0	-3.4	3.6	--	--	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	4.5	--	--	4.5(Q1)	--	--	--
Manufacturing Shipments	1.9	6.9	-19.3	-13.6	-15.1	-14.2	-23.6	-28.2	--
NEW! Wholesale Trade	5.0	10.9	-9.0	4.5	-6.3	-4.4	-12.2	-22.0	--
Building Permits	13.4	-16.5	-41.7	-52.5	-66.9	-29.9	-40.9	-18.6	--
Residential	10.7	-31.5	-54.1	-67.0	-72.4	-38.9	-44.2	-49.3	--
Non-residential	17.1	3.7	-29.4	-40.2	-61.8	-20.7	-37.3	13.0	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Spring 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-1.7%***	-5.0%	-0.2%	0.4%	0.5%	-0.9%	-2.4%	1.0%	0.2%	**-2.4%**	-1.8%
2010	***2.5%***	1.0%	1.7%	1.5%	2.2%	1.8%	2.5%	2.4%	3.2%	**2.9%**	3.3%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	***1.23%***	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	**2.71%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-340.7**	-5.4	-1.6	-3.9	3.0	-29.9	-215.1	-1.9	14.5	**-32.0**	-68.4
Percent Change[b]	***-1.9%***	-2.3%	-2.1%	-0.8%	0.8%	-0.8%	-3.2%	-0.3%	2.8%	**-1.6%**	-2.9%
Unemployment Rate, 2009 avg (SA)	***8.0***	14.9	12.2	9.0	9.0	8.3	8.9	4.9	4.7	**5.8**	7.2
Participation Rate, 2009 avg (SA)	***67.4***	59.0	67.7	64.6	64.8	65.4	67.5	69.3	70.5	**74.6**	65.9
Average Weekly Earnings											
April 2009	**820.53**	799.20	697.50	733.09	740.11	760.76	848.63	764.32	795.35	**946.66**	790.13
Y/Y Percent Increase[c]	***1.4%***	4.7%	6.2%	3.3%	2.3%	0.6%	1.7%	1.7%	1.2%	**3.2%**	-0.3%
2009 Wage Settlements										**4.5%**	
CPI Inflation											
June Annual	**-0.3%**	0.3%	-0.8%	-1.1%	0.0%	0.2%	0.0%	0.6%	1.0%	**-1.6%**	-0.7%
Excluding Shelter	**-0.1%**	0.6%	1.1%	-0.4%	0.2%	0.2%	-0.3%	0.3%	0.2%	**0.4%**	0.0%
Housing Starts (000s)											
SAAR June 2009	**140.7**	3.0	1.0	3.1	3.5	40.6	45.6	4.8	5.9	**19.3**	13.8
Retail Sales											
Percent Change[d] NEW!	**-6.1%**	1.7%	-2.5%	-3.9%	-1.8%	-5.4%	-4.8%	-4.8%	-5.3%	**-10.5%**	-8.6%
2009 YTD Retail Sales Growth	**-6.2%**	0.1%	-2.0%	-3.7%	-2.1%	-4.0%	-5.5%	-4.5%	-3.9%	**-10.9%**	-9.6%
Manufacturing Shipments											
Percent Change[d]	**-27.0%**	-57.5%	20.3%	-16.5%	-35.5%	-24.3%	-29.2%	-8.8%	-9.6%	**-28.2%**	-26.3%

a. Over the past 12 months
b. June 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to April 2009
d. May 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada